

HOUSE No. 2560

By Mr. Petersen of Marblehead, petition of Douglas W. Petersen and others relative to the sales tax imposed upon the sale of qualified electric or hybrid vehicles. Revenue.

The Commonwealth of Massachusetts

PETITION OF:

Douglas W. Petersen	Christine E. Canavan
Michael E. Festa	Cory Atkins
Anthony J. Verga	John W. Scibak

In the Year Two Thousand and Five.

AN ACT TO PROMOTE ENERGY EFFICIENT VEHICLES

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 64H of the General Laws, as appearing in
2 the 2002 Official Edition, is hereby amended in Section 1 by
3 inserting after the definition of “Purchaser” the following defini-
4 tions:

5 “Qualified Electric Vehicle” has the meaning stated in section
6 thirty of the Internal Revenue Code,

7 “Qualified Hybrid Vehicle” means an automobile that (a) meets
8 all applicable regulatory requirements, (b) meets the current
9 vehicle exhaust standard set under the national low-emission
10 vehicle program for gasoline-powered passenger cars; and (c) can
11 draw propulsion energy from both of the following on-board
12 sources of stored energy: gasoline; and a rechargeable energy
13 storage system.

1 SECTION 2. Chapter 64H of the General Laws, as appearing in
2 the 2002 Official Edition, is hereby amended by inserting after
3 section 2A the following new section:—

4 Section 2B. Notwithstanding the provisions of section two and
5 section four of this chapter, the excise imposed upon the sale of

6 any new passenger automobile, van or light truck in the Common-
7 wealth shall be at a rate between zero and five percent of the gross
8 receipts of the vendor for each such automobile, van, or light
9 truck. The rate of excise imposed upon the sale of any qualified
10 electric vehicle or qualified hybrid vehicle, as defined in section
11 one of this chapter, shall be assessed at zero percent. The rate of
12 excise tax imposed upon the sale of any new passenger automo-
13 bile, van or light truck in the Commonwealth with fuel efficiency
14 rating of 30 miles per gallon or greater for city driving and 35
15 miles per gallon or greater for highway driving shall be assessed
16 at two percent. The rate of excise imposed upon the sale of all
17 other new passenger automobiles, van, or light trucks in the Com-
18 monwealth shall be assessed at five percent.

19 A seller of any new passenger automobile, van or light truck in
20 the Commonwealth shall prominently display on the vehicle the
21 appropriate excise tax rate for the vehicle. The commissioner of
22 energy resources shall cause periodic inspections to be made of
23 motor vehicle dealers in order to ensure compliance with this
24 section. The commissioner shall report the results of any inspec-
25 tions or investigations to the attorney general. The attorney
26 general may institute proceedings to enforce the provisions of this
27 section.

28 Failure to comply with any of the provisions of this section
29 shall constitute an unfair or deceptive act or practice under the
30 provisions of chapter ninety-three A. Any person who violates
31 any provision of this section shall be punishable by a civil penalty
32 of not more than five hundred dollars for each offense or as pro-
33 vided in chapter ninety three A, whichever is greater. Each viola-
34 tion of this section shall constitute a separate offense, and each
35 day such violation continues shall constitute a separate offense.

36 The commissioner of revenue and the commissioner of energy
37 resources shall monitor the effects of the excise established herein
38 on motor vehicle sales in the Commonwealth and on revenue
39 yields, and by December thirty first of each year shall file with the
40 house and senate committees on ways and means reports on the
41 status of the goals of this program.

42 The provisions of this section shall take effect for all sales of
43 new passenger automobiles, vans, and light trucks occurring on or
44 after September first, two thousand and five.

1 SECTION 3. Section 3 of chapter 64H of the General Laws, as
2 so appearing, is hereby amended by striking out subsection (c)
3 and inserting in place thereof the following:

4 (c) The excise imposed by section two B upon sales at retail of
5 motor vehicles shall be paid by the purchaser to the registrar of
6 motor vehicles in the manner prescribed by the commissioner of
7 revenue. The vendor therefore shall not add the tax to the sales
8 price and shall not collect the tax from the purchaser. The vendor
9 thereof shall, however, furnish to the purchaser, to the registrar,
10 and to said commissioner a sworn statement of the sale upon a
11 form prescribed by said commissioner, with the approval of the
12 commissioner, giving such information as the commissioner may
13 require for the determination of such tax. Any person giving false
14 or fraudulent information to any material fact in the sworn state-
15 ment required by this section shall be subject to a penalty of not
16 more than five hundred dollars for each violation; such penalty
17 shall be in addition to any penalty imposed by chapter 62 C,
18 chapter ninety three A, or other provisions of the General Laws.
19 For the purpose of this paragraph. The term “motor vehicle”
20 means any self propelled vehicle designed for use and used pri-
21 marily upon the highways.

1 SECTION 4. The first sentence of section 4 of chapter 64H, as
2 so appearing, is hereby amended by striking the word “For” in
3 line 1, and inserting in place thereof the following words:—
4 Except for the tax imposed by section two B, for.

1 SECTION 5. The first sentence of section 2 of chapter 64I of
2 the General Laws, as so appearing, is hereby amended by
3 inserting, in line 5, after the work “services”, the following
4 words:— provided, however, that notwithstanding the provisions
5 of section five of this chapter, in the case of a passenger automo-
6 bile, van or light truck, the applicable rate shall be determined in
7 accordance with the provisions of section two B of chapter sixty
8 four H.

1 SECTION 6. Section 6 of said chapter 64I is hereby amended
2 by adding at the end of the second paragraph, in line 36, the
3 following:—

4 Any person giving false or fraudulent information as to any
5 material fact in the sworn statement required by this section shall
6 be liable for a penalty of not more the five hundred dollars for
7 each violation; such penalty is to be in addition to any penalty
8 imposed by chapter sixty-two C, chapter ninety three A, or other
9 provisions of the General Laws.

1 SECTION 7. Motor vehicles owned and operated by the com-
2 monwealth, as they are removed from service, shall only be
3 replaced with vehicles that have above average fuel efficiency for
4 new vehicles in their size classes as determined by the commis-
5 sioner of energy resources or with alternative fuel vehicles as
6 defined by said commissioner, provided that said commissioner
7 has determined that such purchases of alternative fuel vehicles
8 will be cost-effective and will result in net improvements in air
9 quality in comparison with comparable conventional fuel vehicles.
10 The commissioner of energy resources may grant a waiver from
11 the requirements of this section for any vehicle that the common-
12 wealth needs to purchase where such a waiver is necessary to pro-
13 tect the public safety.

1 SECTION 8. Purchasers of vehicles that meet the definition of
2 “fuel efficient vehicle” in Section 2, above, shall also be eligible
3 to use designated HOV lanes throughout the Commonwealth.

1 SECTION 9. The Registry of Motor Vehicles shall be directed
2 to offer a fifty percent discount on vehicle registration fees to pur-
3 chasers of vehicles meeting the definition of “fuel efficient
4 vehicle” under the above referenced section 2.

1 SECTION 10. The directors of the Massachusetts Turnpike
2 Authority and the Massachusetts Port Authority shall be directed
3 to establish a program offering a fifty percent reduction in all toll
4 charges to purchasers of vehicles meeting the definition of “fuel
5 efficient vehicles” in the aforementioned section 1, above.

1 SECTION 11. The commissioner of the department of revenue
2 will report to the senate and house chairs of the respective com-
3 mittees on ways and means the fiscal impact of the reduced reg-

4 istry fees and the discount on tolls. The secretary of transporta-
5 tion will similarly report on the impact of “fuel efficient vehicle
6 use” of the commonwealth’s HOV lanes.